

RUSH HOLT
Twelfth District, New Jersey

1214 Longworth Building
Washington, D.C. 20515
202-225-5801
Fax 202-225-6025

50 Washington Road
West Windsor, NJ 08550
609-750-9365
Fax 609-750-0618

<http://holt.house.gov>



Congress of the United States

April 6, 2011

Chair
Select Intelligence Oversight Panel
Committee on Appropriations

Committee on Education
and Labor

Permanent Select Committee
on Intelligence

Committee on Natural Resources

The Honorable John Boehner
H- 232 Capitol Building
Washington, D.C. 20515

Dear Speaker Boehner:

I share your concern about our nation's budget deficit and the need for to work together to get our nation's fiscal house in order. I remain concerned about proposals to flat fund or cut funding across the board. When American families sit down to balance their checkbook they take a thoughtful look at their spending and make decisions based on their families' needs. We in Congress need to do the same. We should not cut spending indiscriminately, rather we should work together to take a thoughtful, fact-based approach to eliminating duplicative or wasteful programs and costly tax expenditures that are inefficient and cause market distortions. By doing so we can pay down our deficit, balance our budget, and maintain vital investments that benefit all Americans and our economy.

I respectfully request that you work with me to end the tax expenditure that allows oil and gas companies to fully deduct "incidental drilling costs" (IDC) in the first year rather than being capitalized and depreciated over time. IDC are amounts paid by the lease operator for fuel, labor, repairs to drilling equipment, materials, hauling, and supplies. In the fourth quarter of 2010, profits were up more than 50 percent at America's two largest oil companies. With gas prices rising, now is not the time to be subsidizing these profitable companies. Eliminating this subsidy can save taxpayers \$5.6 billion from 2011-2015.

I ask that you bring legislation to the House floor next week eliminating the oil and gas industry subsidy for incidental drilling costs and use the \$5.6 billion in savings to help reduce the national debt.

Sincerely,

RUSH HOLT
Member of Congress

RH/kc